

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7709

BILL NUMBER: HB 1674

NOTE PREPARED: Jan 5, 2005

BILL AMENDED:

SUBJECT: Expansion of charter schools.

FIRST AUTHOR: Rep. Harris T

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill allows the Mayor of a second class city to sponsor charter schools.

Effective Date: July 1, 2005.

Explanation of State Expenditures: The state impact would depend on the number of new charter schools that might be sponsored by mayors of second class cities that would not have been sponsored by the current sponsoring entities, schools, or universities. The impact on the state depends on the school formula that is in effect for CY 2006 and CY 2007. The average tuition support revenue of charter schools in CY 2005 is estimated to be about \$3,836 per student.

As an example, under the current formula, a growth of about 100 students attending charter schools would cost the state about \$383,600. The state also pays Property Tax Replacement Credits on school General Fund levies. The same 100 students would increase levies by about \$197,100. The state would pay an additional \$132,000 in PTRC.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: The mayor of a second class city would be able to sponsor up to 5 charter schools for CY 2005, 6 charter schools for CY 2006-2009, after CY 2009 one additional charter school per year. There are currently 21 city mayors of second class cities that would be able to sponsor charter schools.

The impact would depend on the extent that additional charter schools were created, the number of students enrolled in the schools and future school funding formulas.

If the number of students attending charter schools increased, property taxes would increase under the current school funding formula to fund the increase in enrollment. The average general fund property tax levy for CY 2005 is estimated to be \$1,971 per student. As an example, if 100 additional students attended charter schools due to this bill, the increase in property taxes would be about \$197,100.

State Agencies Affected: Department of Education.

Local Agencies Affected: Local Schools.

Information Sources: Department of Education databases.

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